





Koç Financial Services 2006YE Results

(IFRS Consolidated Figures)

İstanbul, 22 March 2007

Agenda

-  2006 Key Performance Highlights
-  2006 Financial and Commercial Overview
-  Forward Looking Guidance
-  Annexes

2006 Key Performance Highlights

- Legal merger of Yapı Kredi (YKB) and Koçbank (KB) and merger of their IT systems successfully completed 12 months after the acquisition
- Merger of four core financial subsidiaries executed in Dec 2006/Jan 2007
- YTL 692 mln of consolidated net income and YTL 755 mln of combined (excl. minorities) net income (+21% y-o-y⁽¹⁾), consolidated ROE of 24% (+3 ppts) in a year of integration and market turmoil
- Capital adequacy ratio of YKB increased to 12.3% (from 3.6% in 4Q 05) as a result of quick capital base restructuring (-12 months vs original plan)
- Group revenue growth of 13% y-o-y⁽²⁾ and YKB's revenue market share up to 9.8%⁽³⁾ (from 9.7% in 2005)
- Reinforced no 1 position in credit cards (26.3% outstanding balance market share, +2.1 ppts), leasing (18.3% market share, +2.5 ppts), factoring (22.7% market share) and private pension fund (22.8%⁽⁴⁾ market share, +0.2 ppts) businesses. Achieved market leadership in mutual funds (23% market share; +0.3 ppts)
- At Bank level, additional ~450 employees at branches due to HQ rationalization, leading to an improvement in Front Office ratio of +3 ppts (up to 54%); 20 new branch openings
- Non-HR costs down 16% y-o-y and Cost/Income down to 52% (-5 ppts)
- NPL ratio down by 0.8 ppts y-o-y to 6.3% with 80% provisioning coverage

(1) Normalized YKB merged bank figures consolidated for 12 months

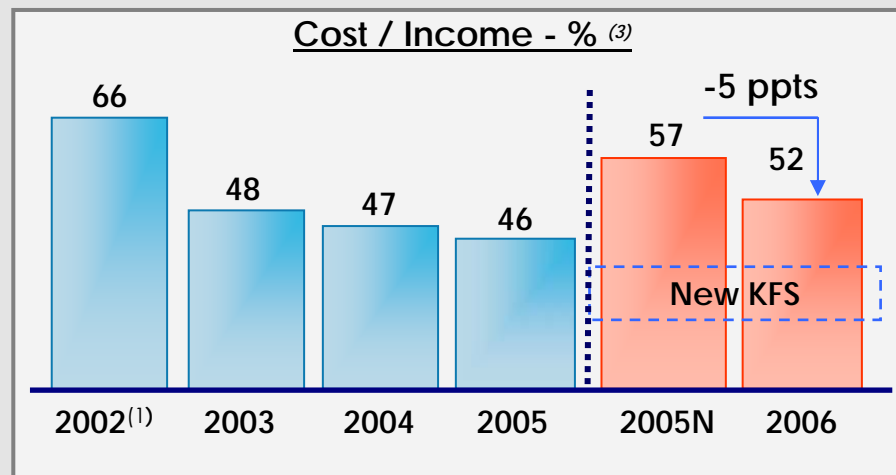
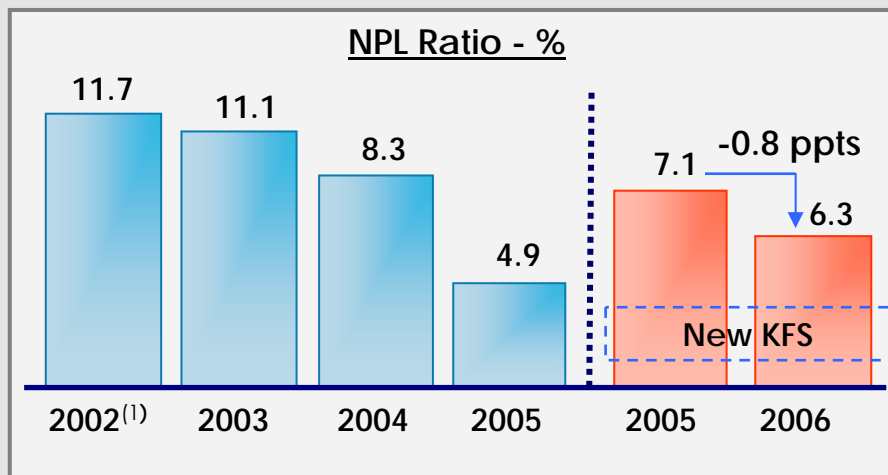
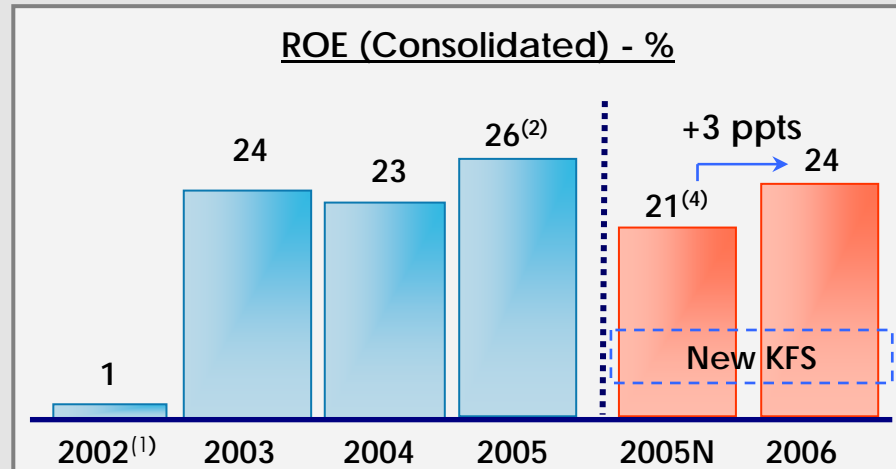
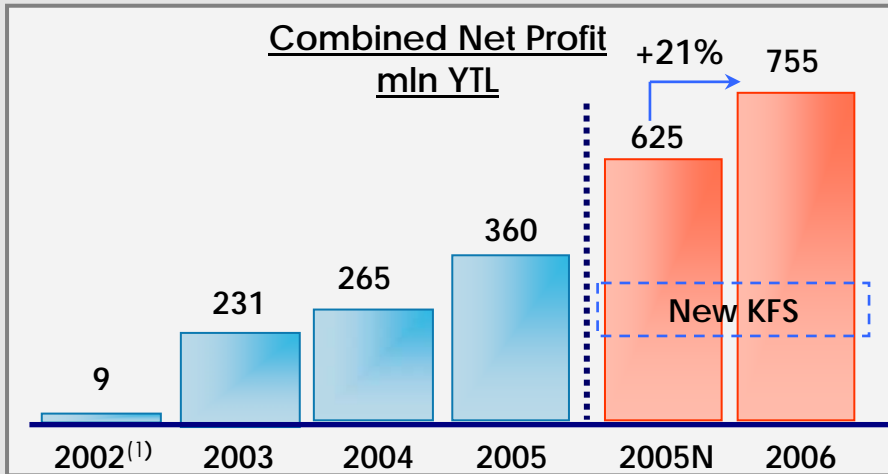
(2) Normalized for acquisition adjustments plus financial cost of acquisition and sub-loan)

3

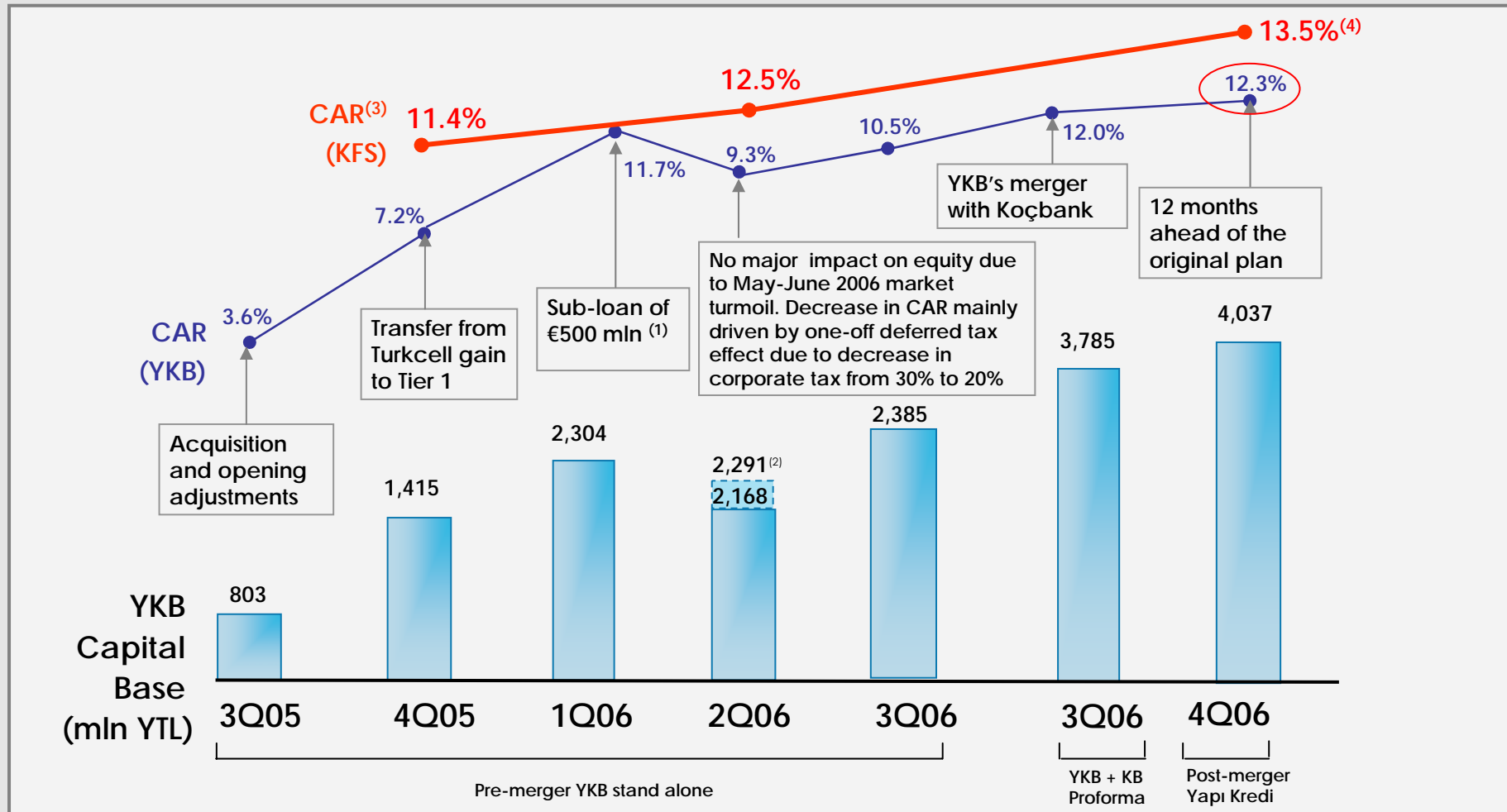
(3) System revenues excluding dividends and all asset sales

(4) Through Koç Allianz which is not a KFS subsidiary (Koç Group subsidiary)

In a year of integration and market turmoil, YKB returned to profitability; positive track record during the first four years of KFS started to be replicated



Group level CAR at 13.5% following the completion of YKB's capital base restructuring in full over 12 months



(1) Additional €350 mln sub-loan added to Koçbank's Tier 2 Capital in April 2006

(2) Excluding deferred tax effect (3) Internal analysis (4) Estimate

Agenda

- 2006 Key Performance Highlights
- 2006 Financial and Commercial Overview
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Rising profitability driven by 10% revenue growth, cost control (non-HR down by 16%) and risk management (net provisions up by 9%)

| (mln YTL) | 2005 ⁽¹⁾ | 2005 ⁽²⁾ | 2005 ⁽³⁾ <i>Normalized</i> | 2006 | YoY % <i>Normalized</i> |
|------------------------------|---------------------|---------------------|--|----------------|----------------------------|
| Total Revenues | 1,533 | 4,210 | 3,053 | 3,352 | +10% |
| Net Interest Income | 1,015 | 1,917 | 1,917 | 2,038 | +6% |
| Non-Interest Income | 518 | 2,293 | 1,136 | 1,314 | +16% |
| o/w Fees & Comm. | 432 | 829 | 829 | 966 | +17% |
| Operating Costs | (840) | (3,244) | (1,753) | (1,737) | -1% |
| HR costs | (396) | (817) | (765) | (904) | +18% |
| Bank (YKB) | (337) | (682) | (630) | (752) | +19% |
| Subs. | (59) | (135) | (135) | (152) | +13% |
| Non-HR costs | (444) | (2,427) | (988) | (833) | -16% |
| Operating Income | 660 | 966 | 1,300 | 1,615 | +24% |
| Provisions | (158) | (2,396) | (480) | (525) | +9% |
| Provisions for Loans | (143) | (1,234) | (283) | (282) | -1% |
| Other Provisions | (48) | (1,161) | (197) ⁽⁴⁾ | (243) | +22% |
| Pre-tax Income | 502 | (1,430) | 820 | 1,090 | +33% |
| Net Income (Combined) | 364 | (1,253) | 625 | 755 | +21% |

+13%
Excluding
acquisition and
sub-loan
financial costs

(1) YKB merged bank consolidated for 3 months (2) YKB merged bank figures consolidated for 12 months, including the Turkcell shares sales income of 1,157 mln YTL
(3) Excluding acquisition adjustments. YKB merged bank consolidated for 12 months (4) Adjusted for pension fund deficit for comparability purposes

2006 stands out as a milestone year in terms of integration and restructuring accomplishments

Business Strategy

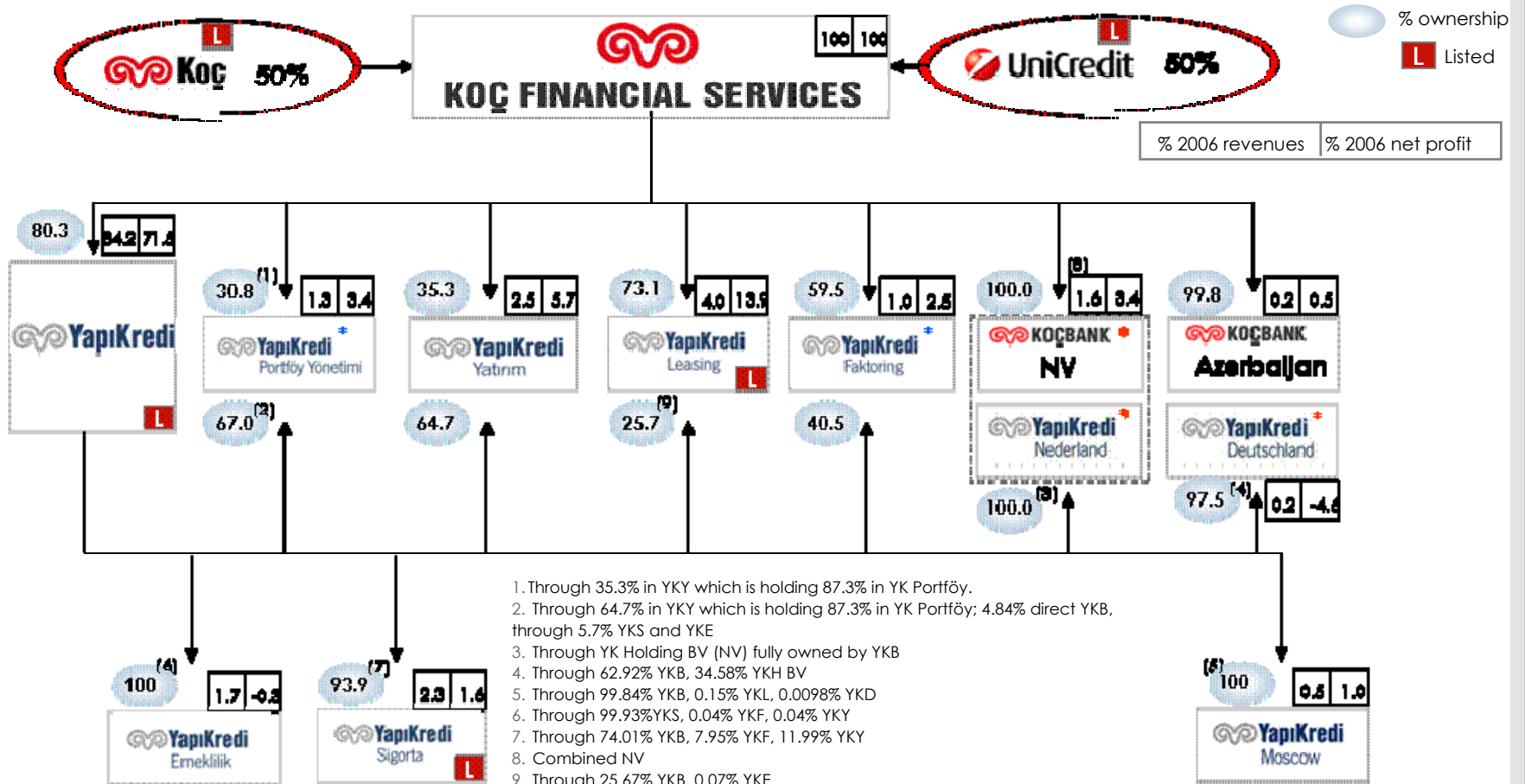
- **Focus on the key segments / products:** Cards (leadership reinforced and consolidated), Retail (upper mass, strategically positioned in consumer lending/mortgages, decreased Mass cost to serve), Private, Small Business, Mid-Large Corporate.
- **New service model** implemented
- **Monitoring and risk management** functions aligned to KFS standards
- **Macro offer and pricing alignment** completed for the most important services: Cross product sales on both networks started
- **MBO*** system established

Integration /Restructuring

- **Headquarters consolidated**, regional operations centers consolidated (June 2006)
- **Branches relocated/new branches opened** (respectively 13 and 22)
- **Operational engine rationalized** (including back-office / operation centres / call centres)
- **Legal Merger** of Yapı Kredi and Koçbank executed (Oct 2006)
- **IT integration** completed (End-October 2006)
- **Subs integration / merger** (four core financial subs) concluded (Dec 2006/ Jan 2007)

(*) MBO (Management By Objectives): Results-driven bonus scheme

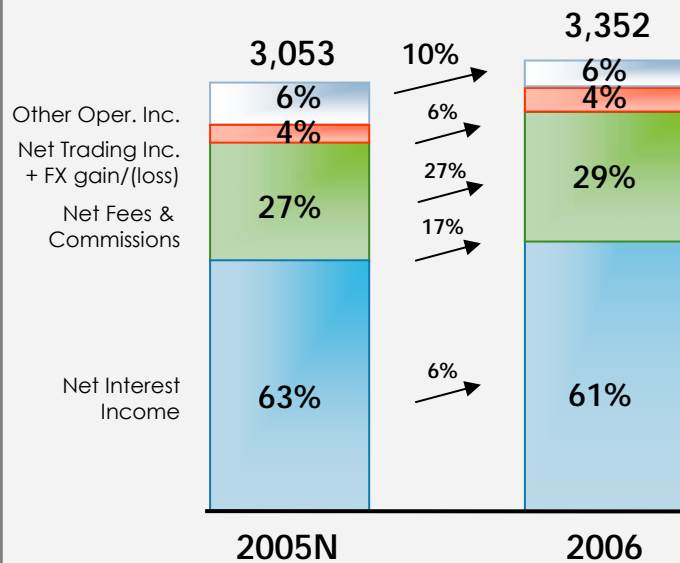
Four core subsidiaries of KFS and YKB in leasing, factoring, asset management, inv. banking/brokerage merged in Dec '06/Jan '07 so as to fully capitalize on Group synergies



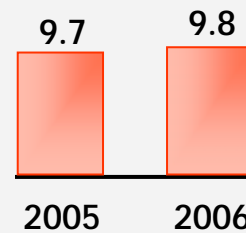
1. Through 35.3% in YKY which is holding 87.3% in YK Portföy.
 2. Through 64.7% in YKY which is holding 87.3% in YK Portföy; 4.84% direct YKB, through 5.7% YKS and YKE
 3. Through YK Holding BV (NV) fully owned by YKB
 4. Through 62.92% YKB, 34.58% YKH BV
 5. Through 99.84% YKB, 0.15% YKL, 0.0098% YKD
 6. Through 99.93% YKS, 0.04% YKF, 0.04% YKY
 7. Through 74.01% YKB, 7.95% YKF, 11.99% YKY
 8. Combined NV
 9. Through 25.67% YKB, 0.07% YKE
 (*) Merger of YK Nederland and Koçbank Nederland; and liquidation process of YK Deutschland under progress.
 (**) Post-subs merger name changes, required only for Faktoring and Portföy, completed as of 29.12.2006.

Revenues grew by 10% with a well diversified mix (64% retail driven) concentrated on high growth and profitable business lines

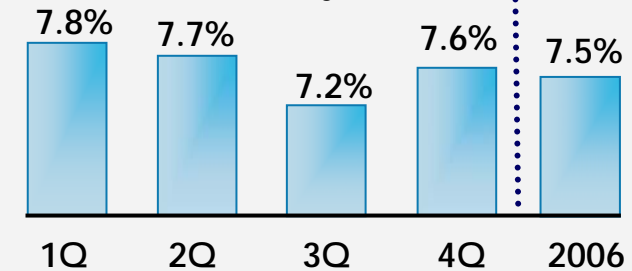
Composition of Revenues (mln YTL)



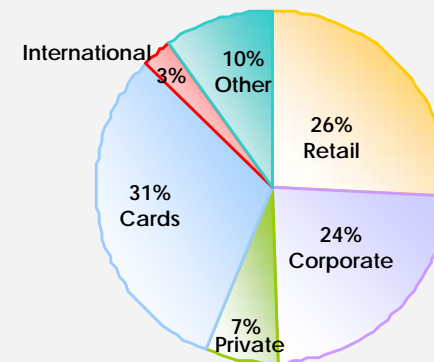
YKB Revenue⁽¹⁾ Market Share (% , Yearly)



Revenues / Average IEAs⁽²⁾ Quarterly



2006 Revenues by Segment⁽³⁾



- Share of fee and commission income in total revenues increased to 29% (from 27%)
- 31% of total revenues generated by highest yielding credit cards while corporate's share is 24%

(1) System revenues excluding dividends and all asset sales

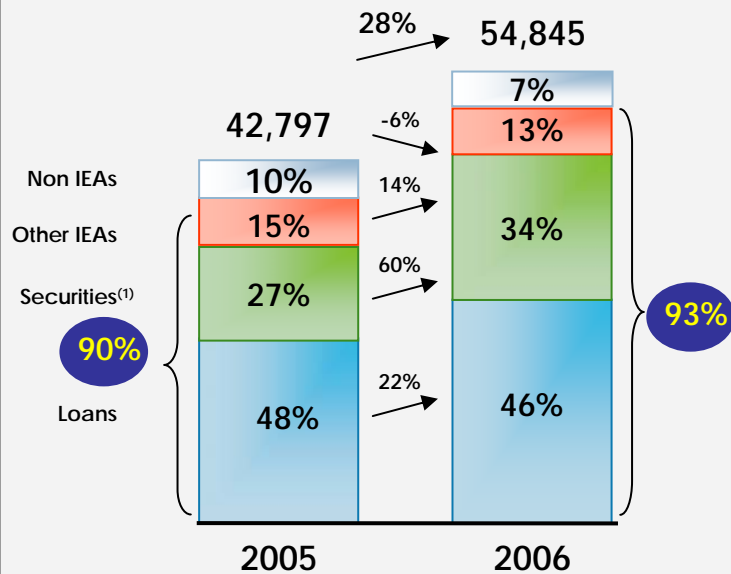
(2) Average= End of period/2

(3) Corporate: Bank, Factoring, Leasing

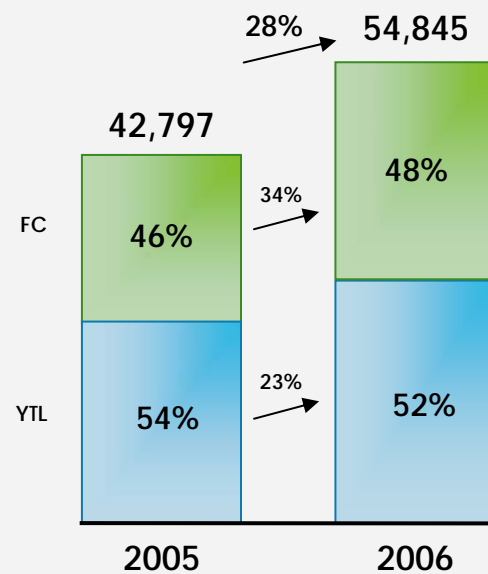
Private: Bank, YK Yatırım (inv. bnkg/brokerage), YK Portföy (asset mngmt), YK Yatırım Ortaklığı (portfolio mngmt)
 Int'l (Foreign Subs): NV, Holding BV, Azerbaijan, Russia, Germany
 Other Subs: YK Sigorta (insurance), YK Emeklilik (pension)

Share of IEAs in total assets increased by +3 ppts up to 93% due to disposal of YKB's non-core assets and collection of its receivables

Composition Of Assets (mln YTL)



TL/FC Breakdown of Assets (mln YTL)



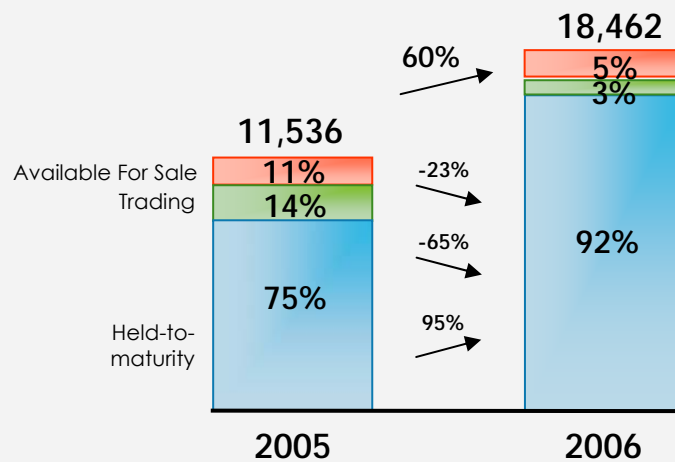
| | 2005 | 2006 |
|----------------|------|------|
| TL Loans/Loans | 60% | 62% |
| TL IEAs/IEAs | 49% | 49% |
| Loans/Deposits | 72% | 70% |

- Since the acquisition of YKB at end-2005, 3.2 bln YTL of cash inflow secured, of which 1.6 bln YTL from the sale of YKB's non-core assets and collection of its receivables (Turkcell, A-tel, Fintur/Digiturk and Fiskobirlik)
- Constant decrease in non-IEAs -- shrinkage of 3% since end-2005
- Share of loans in total assets at 46% while 62% of total loans constituted by higher margin YTL loans
- YTL IEAs constitute 49% of total IEAs driving higher margins
- Further room for improvement in loans/deposits ratio -- 70% at end-2006

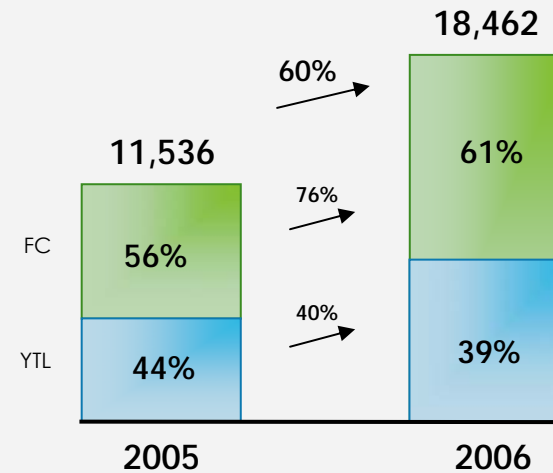
(1) Securities including derivative accruals.

Securities portfolio concentrated on Held-to-Maturity (92%) as a result of focus on stable revenue generation and limited capital at risk

Securities Composition by Type (mln YTL)



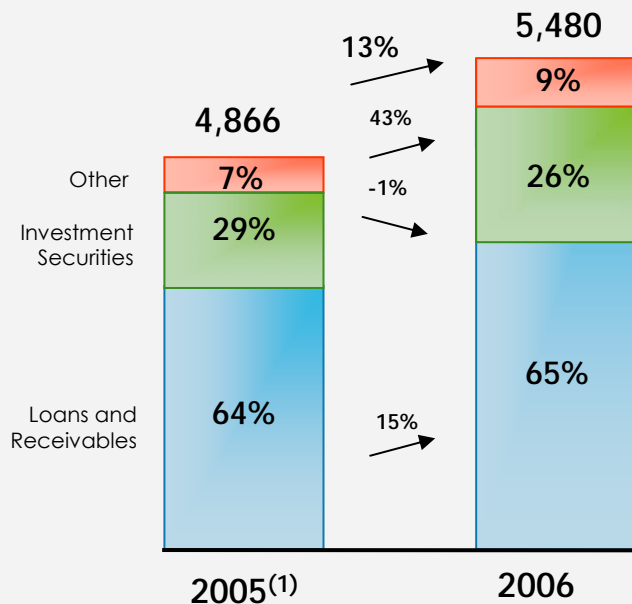
Securities Composition by Currency (mln YTL)



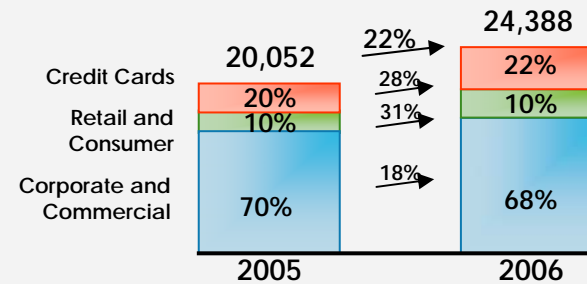
- Strong focus on effective risk management
- Derivatives allowed only for hedging purpose; options allowed only for client-driven transactions immediately fully hedged
- No FX speculative open positions allowed
- VaR limits, stop loss, max open position monitored on a daily basis

Interest income mainly driven by high margin loans rather than securities income; increasing share of retail in total loans (32%)

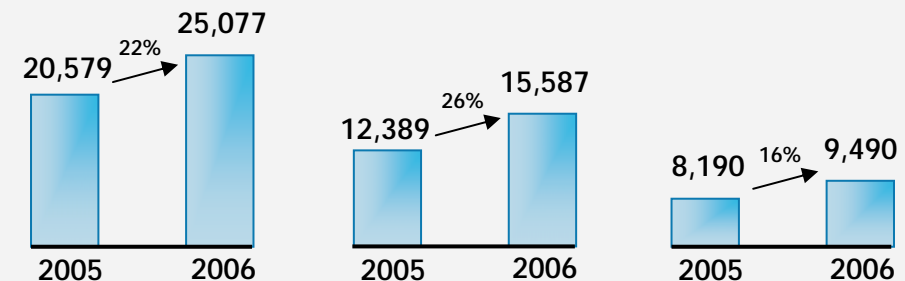
Composition of Interest Income (mln YTL)



Composition of Loans⁽³⁾ (YTL mln)



Total Loans (mln YTL) TL Loans (mln YTL) FC Loans (mln YTL)



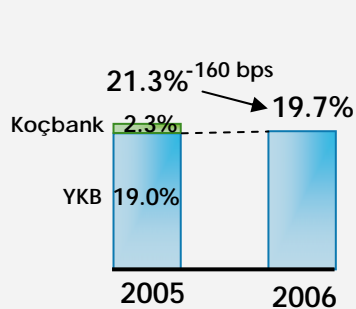
- Share of interest income driven by loans increased to 65% in 2006 while share of securities income decreased to 26% in 2006 (from 29% in 2005)
- Profitability focused loan composition -- credit cards, sector's highest yielding instrument, making up 22% of loans
- Total transaction volume reached 3.6 bln USD (+15%) in factoring and 962 mln USD (+43%) in leasing while total private pension fund volume⁽²⁾ surged to 642 mln YTL (+160%)-- leadership positions in all three businesses

(1) Proforma KFS financials including 12 month YKB merged bank figures (3) Performing loans 13

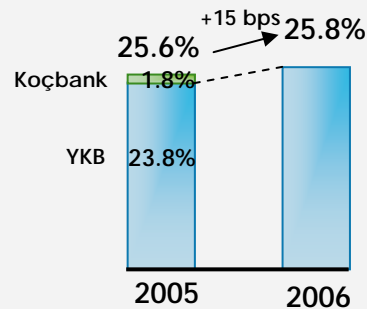
(2) Through Koç Allianz which is not a KFS subsidiary (Koç Group subsidiary)

YKB's uninterrupted leadership in credit cards since 1991 further reinforced in 2006 despite the challenges of integration

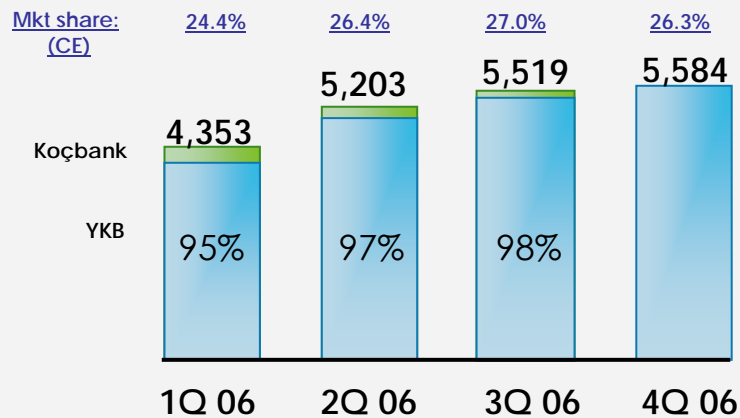
YKB Market Share in No of CCs



YKB Market Share in Issuing Volume (eop)



YKB Credit Card Outstanding (mln YTL)



| | 2005 YKB+KB | 2006 YKB | YoY% |
|-----------------------------------|-----------------------|-------------|----------|
| # of merchants | 160,776 | 168,235 | +5% |
| # of POS | 184,097 | 194,400 | +6% |
| Credit Card Turnover (mln YTL) | 21,890 | 28,009 | +28% |
| Credit Card Outstanding (mln YTL) | 4,159 | 5,584 | +34% |
| Revolving Ratio | 34.6% | 29.6% | -500 bps |
| Card Activation ratio | 79.0% | 84.0% | +500 bps |
| Fraud/Volume | 0.041% ⁽¹⁾ | 0.022% | -1.9 bps |
| Churn Rate | 5.30% | 4.20% | -110 bps |

YKB Market Share vs Closest Competitor

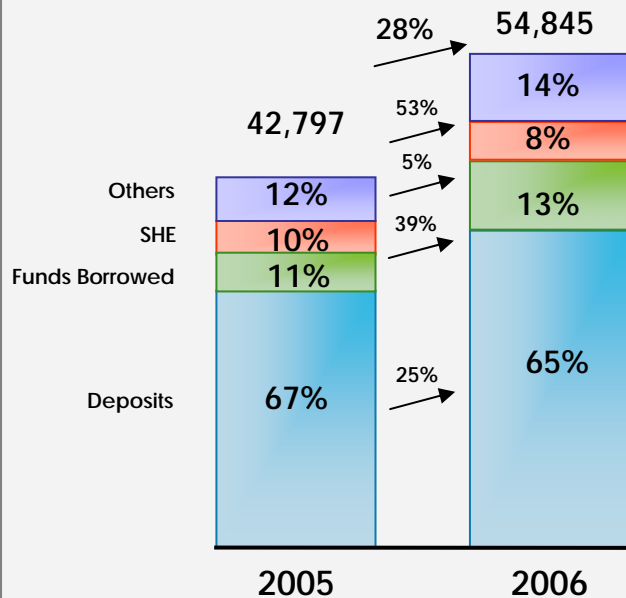
| | Number of CCs | Acquiring Volume ⁽²⁾ | Issuing Volume ⁽²⁾ | CCs Outstanding |
|----------------------|---------------|---------------------------------|-------------------------------|-----------------|
| YKB | 19.7% | 24.8% | 25.0% | 26.3% |
| Mkt. Share Advantage | + 216 bps | + 255 bps | + 336 bps | + 425 bps |

CE=Combined Entity (Yapı Kredi + Koçbank)

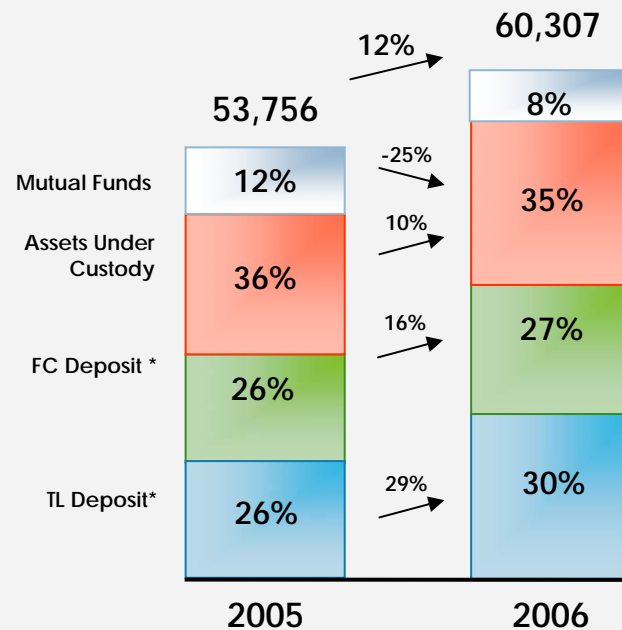
(1) Pre-merger YKB only. (2) Annual cumulative market share BRSA Bank-only figures

Healthier liability structure thanks to international funding access and strong focus on customer asset gathering

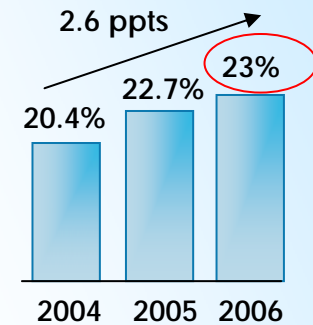
Composition of Liabilities
(mln YTL)



Composition of Customer Assets
(mln YTL)



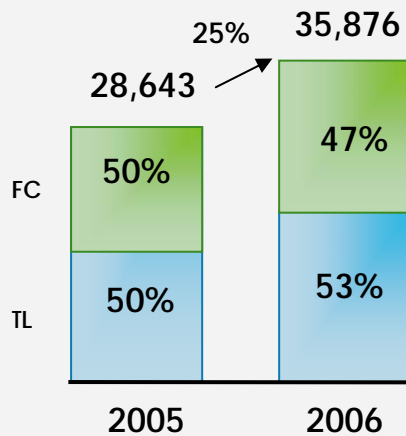
Market Share in Mutual Funds



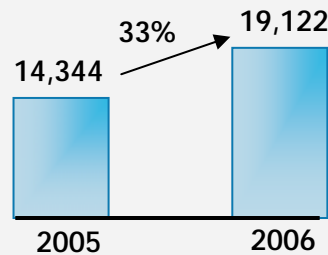
(*) Customer deposits excluding bank deposits

YTL deposits grew by 33% while share of YTL in total deposits increased to 53% from 50%

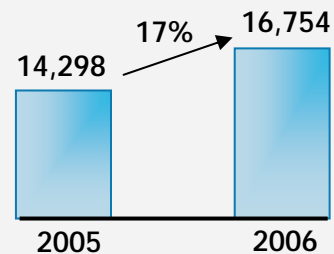
TL/FC Breakdown of Deposits⁽¹⁾ (mln YTL)



TL Deposits (mln YTL)

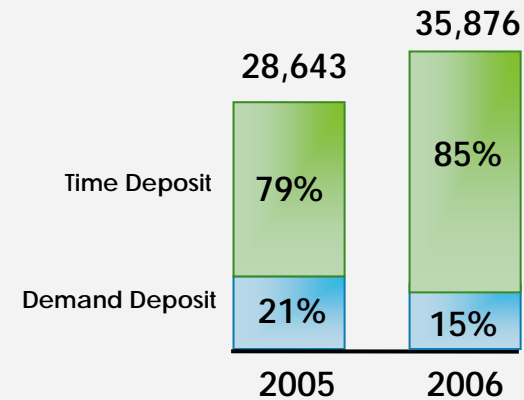


FC Deposits (mln YTL)



Demand Dep./ Total Deposits

(mln YTL)

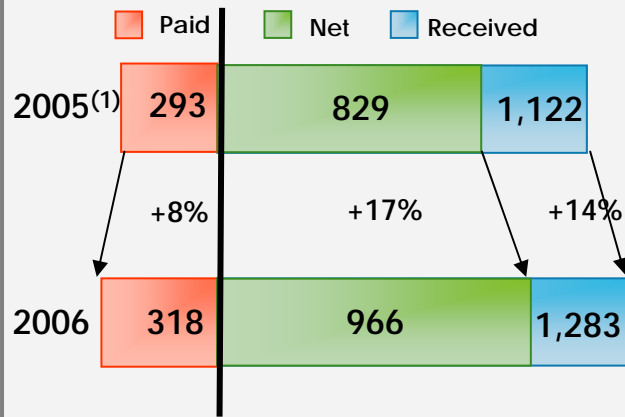


- Further room for improvement in demand deposits/total deposits. As a result, cost of funding expected to improve
- 25% YoY growth in total deposits mainly driven by YTL deposit growth (33%)

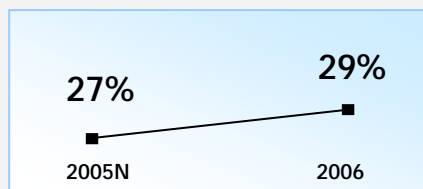
(1) Total deposits including bank deposits

Solid fee & commission growth on the back of enhanced leadership positions in credit cards, asset management and non-cash loans

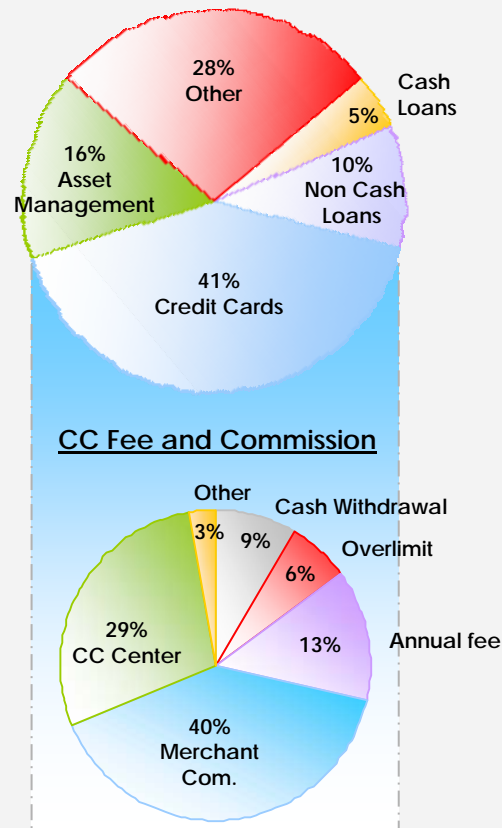
Fees & Commission Income (mln YTL)



Net Fees & Commissions / Total Revenues



Fees & Commission Composition



- **17% YoY growth** in fee and commissions, indicating continued focus on sustainable revenue sources
- **Increased portion of fee & commission income** in total revenues to 29% at end-2006
- Fees & commissions represent 107% of HR costs
- **Healthy composition of fee and commission income** derived from leadership positions in credit cards, asset management and non-cash loans

(1) Proforma KFS financials including 12 month YKB merged bank figures

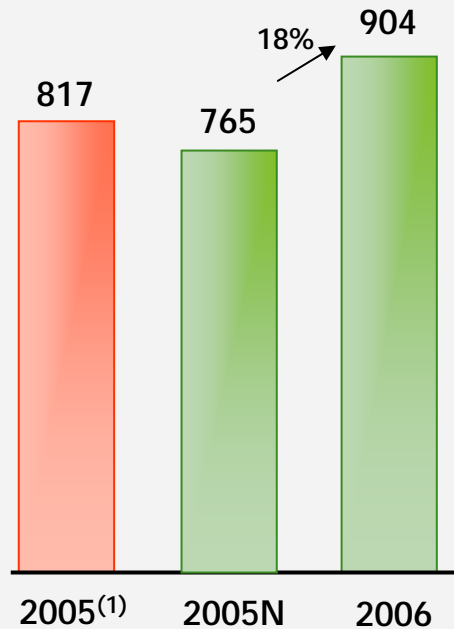
Strategic presence in most attractive segments

POSITIONING – DECEMBER '06

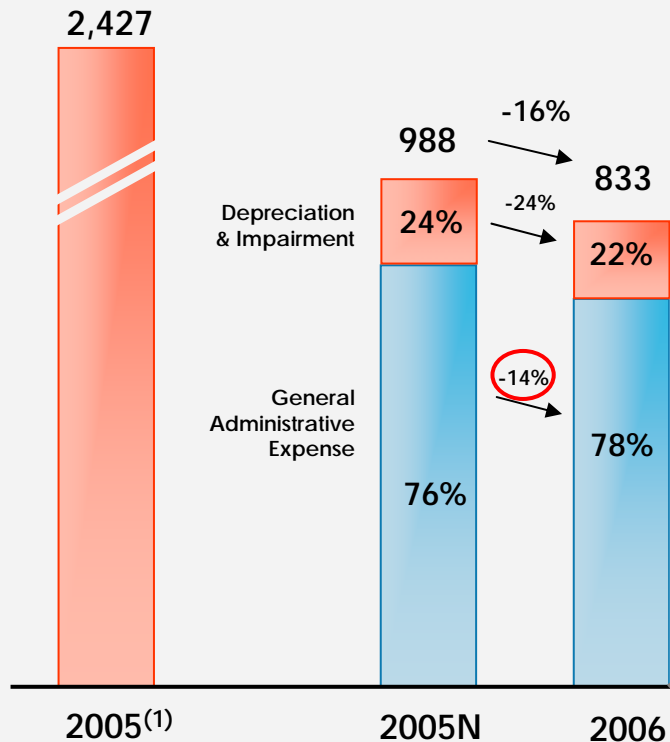
| | | Rank | Mkt. Sh. % | Key Competitors - % | |
|---|-----------------|-------------------------------|------------------|---------------------|---|
| Yapı Kredi Total Assets Rank nr 5 | Retail | # of Branches | 4 | 8.9 | Ziraat 17, İş 13, Ak 10 |
| | | Deposits ⁽¹⁾ | 4 | 10.4 | Ziraat 20 ⁽⁷⁾ , İş 15, Ak 11 |
| | | Consumer Loans ⁽²⁾ | 6 ⁽⁷⁾ | 6.0 | Ak 13, Ziraat 15 ⁽⁷⁾ , İş 14 |
| | | Credit Cards ⁽³⁾ | 1 | 26.3 | Garanti 22, Ak 15 |
| | AuM + Brokerage | Asset Management | 1 | 23.0 | İş 21 Garanti 12 Ak 13 |
| | | Brokerage ⁽⁵⁾ | 6 | 4.5 | İş 6.4, Fin.5.9 ,RJ 6.2 |
| | Corporate | Deposits ⁽¹⁾ | 4 | 10.4 | Ziraat 20 ⁽⁷⁾ , İş 15, Ak 11 |
| | | Cash Loans ⁽⁶⁾ | 4 | 9.4 | İş 14, Ak 13, Garanti 11 |
| | | Non Cash Loans | 1 | 18.9 | Garanti 13, İş 10 |
| | | Leasing | 1 | 18.3 | Garanti 16, Finans 8 |
| | | Factoring | 1 | 22.7 | Garanti 12, Deniz 8 |
| | Insurance | Life | 2 ⁽⁴⁾ | 14.4 | Anadolu 25, Başak 13 |
| | | Pension | 1 ⁽⁴⁾ | 22.7 | Ak 14, Anadolu 19 |
| | | Non-Life | 1 ⁽⁴⁾ | 18.5 | AxaOyak 11.5, Anadolu 12.9 |

HR costs up by 18% y-o-y while non-HR costs declined by 16% y-o-y on a normalized basis due to effective cost management

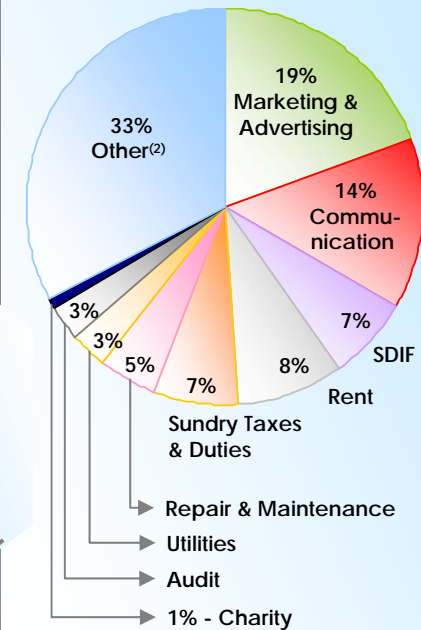
Total HR Costs
(mln YTL)



Total Non HR Costs
(mln YTL)



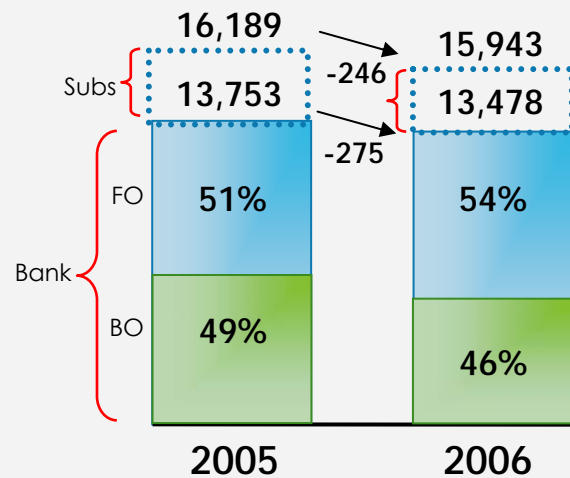
Composition of Administrative Expenses



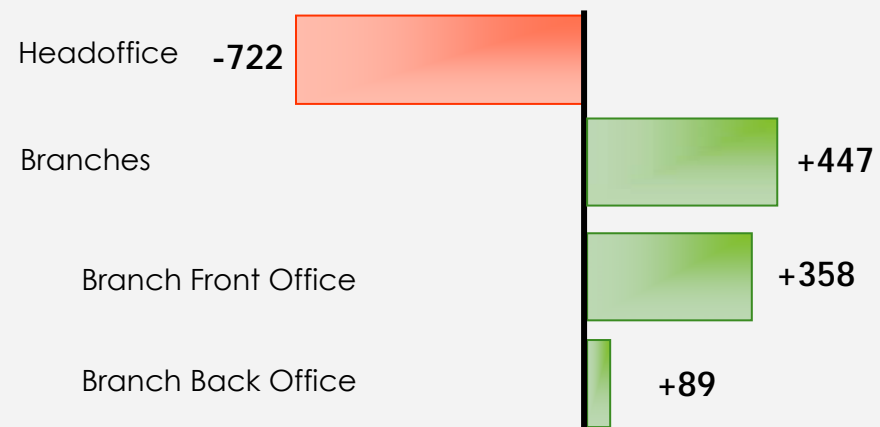
(1) Proforma KFS financials including 12 month YKB merged bank figures
 (2) Includes stationery, cleaning, outsourcing and other expenses

Substantial reorganization of the sales force leading to improved productivity and operational efficiency

Total Headcount (Group level)



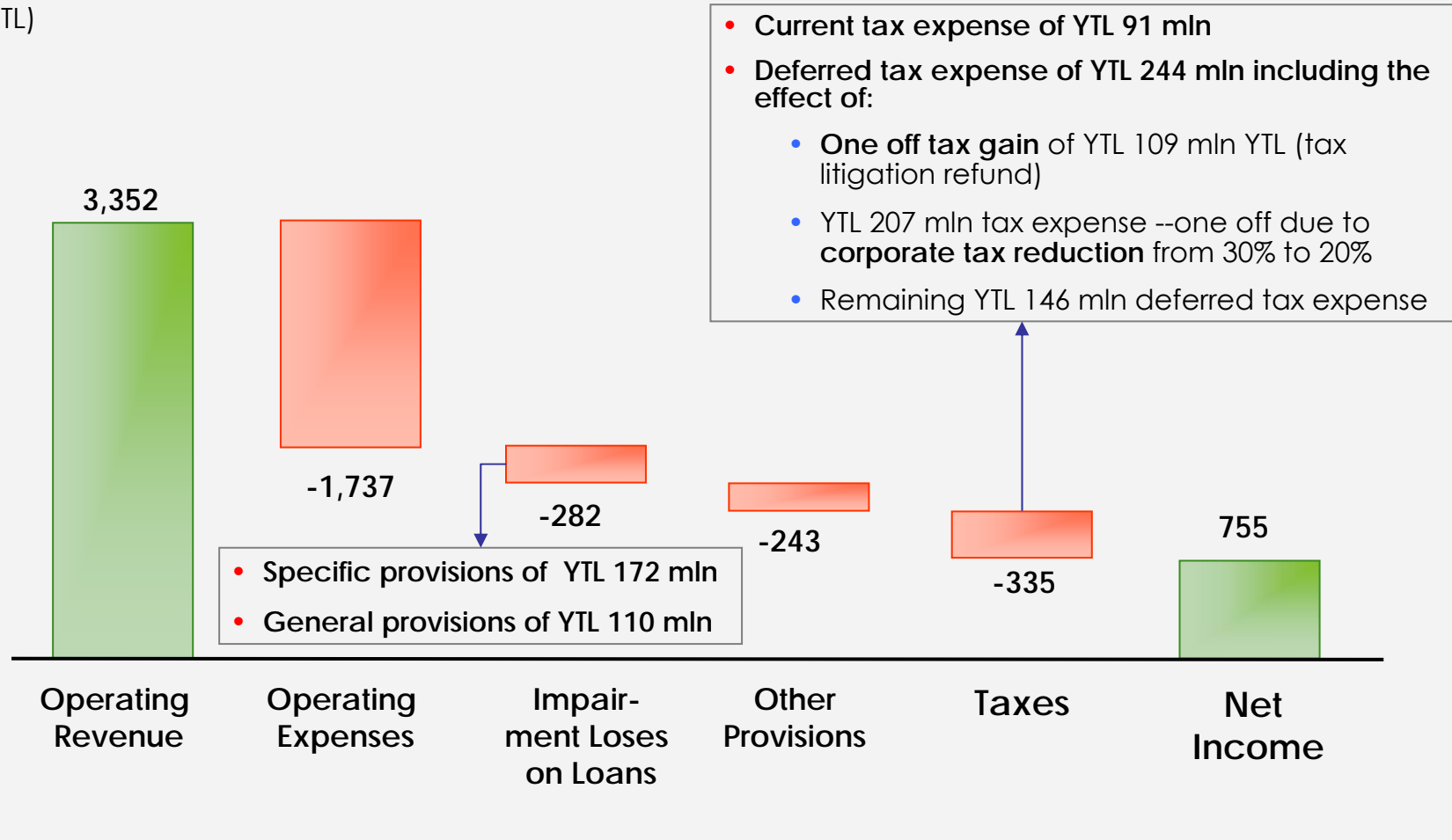
2006 Headcount Flows (Bank level)



- **Decrease of 722 headcount in HQ** thanks to the consolidation of the headquarters of YKB and KB completed in June 2006 (bank level)
- Increasing share of FO personnel in total headcount to 54% from 51% (bank level)
- **Achieved major shift from HQ to NW (network)** through reorientation of 447 headcount. Further improvement expected in 2007; **20 new branch openings** (bank level)

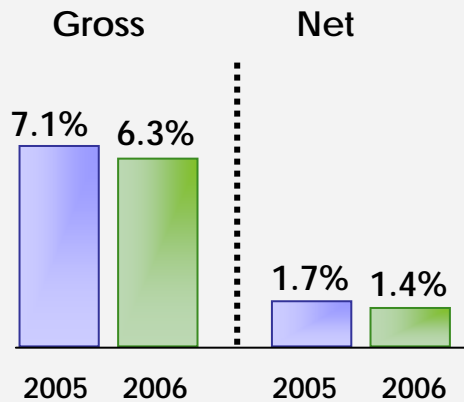
From operating revenues to net income

(mln YTL)

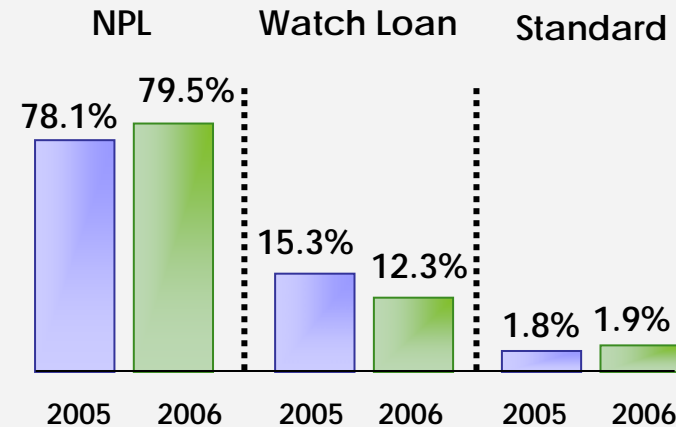


Gross NPL ratio down to 6.3%, confirming improving trend in asset quality supported by more than adequate provisioning level

NPL Ratio



Coverage Ratio



- Gross NPL ratio on a comparable basis down by 0.8 ppts to 6.3% with further room to improve
- Coverage ratio at 80%
- Watch loan coverage at 12% and standard coverage at 2%, highlighting a **more conservative** approach vs. the market

Agenda

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KFS Financial Targets

2008 Targets (3 Year Plan)

| | |
|--------------------|----------------------|
| Total Revenues | ~ 13% ⁽¹⁾ |
| AuM (mutual funds) | ~ 14% ⁽¹⁾ |
| Average RWA | ~ 20% ⁽¹⁾ |
| Cost of Risk | ~ 0.9% |
| ROE | > 20% |
| Cost/Income | < 50% |
| CAR | > 12% |
| # of Branches | ~ 745 |

(1) 2005-2008 CAGR
Targets at KFS Level

2007 Objectives

- High double digit growth in all key segments, with an objective to increase revenue market share
- Maintain leadership position in mutual funds
- RWA growth expected to be lower than loan growth
- Further increase in IEAs expected due to sale of ~400 mln YTL of YKB non-core assets
- Remix towards demand deposits and lower cost funding base
- Focus on lucrative business lines; reinforce leadership in credit cards
- Continued focus on decreasing Non-HR costs
- Strict cost management despite network expansion
- Increased focus on optimal capital allocation
- Concentration on less capital absorbing products

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- 2006 Key Performance Highlights
- 2006 Financial and Commercial Overview
- Forward Looking Guidance
- Annexes

Summary Balance Sheet

| (mln YTL) | 2005 | 2006 | YoY % |
|--|--------|--------|-------|
| Assets | 42,797 | 54,845 | +28 |
| Loans | 20,579 | 25,077 | +22 |
| Securities | 11,536 | 18,462 | +60 |
| Fixed Assets & Participations⁽¹⁾ | 2,890 | 2,774 | -4 |
| Deposits | 28,643 | 35,875 | +25 |
| Borrowings and Debt Securities in Issue | 5,107 | 8,733 | +71 |
| Equity | 4,116 | 4,330 | +5 |
| Assets under Management | 7,386 | 6,145 | -17 |
| Assets under Custody | 19,185 | 21,127 | +10 |
| Non-cash Loans | 13,147 | 16,353 | +24 |

(1) Including YTL 1,299 mln amount of goodwill

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2006 Quarterly P&L Trends

| (mln YTL) | 1Q | 2Q | 3Q | 4Q | QoQ % | 1 H* | 2 H | HoH % |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenues | 757 | 825 | 841 | 929 | +10 | 1,582 | 1,770 | +12 |
| Interest Income | 456 | 526 | 503 | 554 | +10 | 982 | 1,056 | +8 |
| Non-Interest Income | 301 | 299 | 338 | 375 | +11 | 600 | 714 | +19 |
| Costs | (430) | (416) | (390) | (532) | +36 | (814) | (922) | +13 |
| HR Costs | (201) | (208) | (206) | (289) | +40 | (409) | (495) | +21 |
| Non HR Costs | (197) | (208) | (185) | (243) | +32 | (405) | (428) | +6 |
| Net Operating Income | 359 | 409 | 451 | 397 | -12 | 768 | 848 | +10 |
| Provisions | (116) | (137) | (174) | (97) | -44 | (253) | (272) | +7 |
| Pre-tax profit | 243 | 272 | 277 | 299 | +8 | 515 | 576 | 12 |
| Tax | (274) | (58) | 50 | (54) | -209 | (332) | (4) | -99 |
| Net Profit | (31) | 214 | 327 | 245 | -25 | 183 | 572 | +212 |

(*) Reclassified accounts

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YKB - Selected Balance Sheet & Income Statement Items

SELECTED P&L ITEMS

(mIn YTL)

| | 2005 ⁽¹⁾ | 2005N | 2006 | YoY N % |
|-------------------------|---------------------|----------------------|----------------|-------------|
| Total Revenues | 3,676 | 2,519 | 2,869 | +14% |
| Net Interest Income | 1,650 | 1,650 | 1,749 | +6% |
| Non-Interest Income | 2,026 | 869 | 1,120 | +29% |
| o/w Fees & Comm. | 758 | 758 | 892 | +18% |
| Operating Costs | (2,982) | (1,491) | (1,510) | +1% |
| Operating Income | 694 | 1,028 | 1,359 | +32% |
| Provisions | (2,335) | (419) ⁽²⁾ | (501) | +20% |
| Pre-tax Income | (1,641) | 609 | 858 | +41% |
| Net Income | (1,423) | 455 | 576 | +27% |

+18%
Excluding acquisition and sub-loan financial costs

SELECTED B/S ITEMS

(mIn YTL)

| | 2005 ⁽³⁾ | 2006 | YoY % |
|---|---------------------|--------|-------|
| Investment Securities | 10,045 | 16,243 | +62% |
| Loans | 18,242 | 22,119 | +21% |
| Deposits | 27,256 | 34,484 | +27% |
| Other borrowed funds and debt sec. in issue | 3,324 | 6,159 | +85% |

(1) YKB merged bank figures consolidated for 12 months, including the Turkcell shares sales income of 1,157 mIn YTL (2) Adjusted for pension fund deficit for comparability purposes
Financials above present comparative results of the merged YKB to be included in the KFS Group results as if the acquisition of the YKB had occurred on 1 January 2005.



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